



**Department of Defense
Civil Defense Division**

News Release

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FOR IMMEDIATE RELEASE

STATE DISASTER LOANS STILL AVAILABLE

HONOLULU - The State of Hawaii is offering both commercial and personal disaster loans to businesses or residents of Maui and O'ahu, as well as Hawaii County, in the wake of the Kiholo Bay Earthquake. Federal programs are only available for Hawaii County.

Commercial disaster loans are available to any business or cooperative that had damage to property or other business costs, including business disruption due loss of electrical power related to the earthquake. The maximum loan is \$75,000.

Personal disaster loans are available to anyone who owns or rents a residence and suffered loss of personal property, real estate or had personal expenses, including loss of electrical power, related to the earthquake. The maximum loan is \$35,000.

In order to qualify for a State disaster loan, the applicant must have been denied a loan from a bank, credit union or savings and loan association and not have sufficient personal funds to cover the losses. The applicant must have a reasonable ability to repay the loan.

The interest rate is five percent (5%). The maximum loan term is 20 years. However, in most instances, the term will be shorter. This is determined on a case-by-case basis in accordance with the ability to repay the loan. Loans may be repaid at any time before the full term. Principal payments may be deferred for six months.

Commercial loans may be used to purchase inventory, equipment, vehicles, and machinery; to construct, repair, or restore owned or leased buildings; to provide operating funds; and to cover losses from disruption of the business, including loss of electrical power, as a direct result of the earthquake. The loan is intended to return the

business as nearly as possible to its pre-disaster level and cannot be used to start a different business.

Personal loans may be used to meet specific costs or losses of individuals and families, including loss of electrical power, as a direct result of the earthquake. This may include costs of emergency lodging; losses of personal effects, furniture, appliances, vehicles, carpet or flooring, and repair or replacement of an owned or rented residence.

Security for a loan is not required in all cases; however, whenever property other than personal property and business inventory is purchased with loan funds, a mortgage or pledge of such property may be required as security for the loan.

Loan applications are available from the State Disaster Loan Program at:
(808) 586-2577.

FOR MORE INFORMATION CONTACT DAVE CURTIS AT STATE CIVIL DEFENSE 7334300 EXT 522